

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Shrewsbury Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2020
DATE: November 27, 2018

Required Fiscal Year 2020 Appropriation: **\$5,445,268**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2020 which commences July 1, 2019.

We have not provided the projected appropriations for the next five years in this memorandum. As we mentioned in our November 26, 2018 memorandum, we approved the most recent funding schedule through FY20 only. We understand that the Board is having another actuarial valuation performed as of January 1, 2019. We will approve appropriation amounts beyond FY20 upon its completion.

Attached is the portion of the Fiscal Year 2020 appropriation to be paid by each of the governmental units within your system. The allocation was developed by Sherman Actuarial Services as part of its January 1, 2018 actuarial valuation.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl
Attachment

cc: Town Manager
Town Meeting
c/o Town Clerk

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Breakouts

	<u>Total</u>	<u>Housing</u>	<u>Light</u>	<u>Cable</u>	<u>Water</u>	<u>Sewer</u>	<u>Custodians</u>	<u>All Others</u>	<u>School Employees</u>	<u>School Lunch</u>
(1) Participants										
(a) Actives	468	8	36	29	12	4	21	171	169	18
(b) Inactives	138	0	1	9	1	0	3	17	102	5
(c) Retirees and Beneficiaries	243	5	23	7	10	2	22	128	34	12
(d) Disabled Retirees	<u>29</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>21</u>	<u>2</u>	<u>1</u>
(e) Total	878	13	62	45	24	6	48	337	307	36
(2) Payroll of Active Participants	\$25,216,339	\$467,429	\$3,012,019	\$2,075,292	\$733,211	\$186,708	\$1,116,974	\$11,189,343	\$6,003,147	\$432,215
(3) Normal Cost										
(a) Total Normal Cost	2,619,343	40,231	309,133	195,636	69,944	16,124	130,986	1,195,160	615,965	46,167
(b) Expected Employee Contributions	2,221,147	42,961	257,928	191,964	60,949	15,947	96,786	1,001,035	517,479	36,098
(c) Administrative Expenses	<u>100,000</u>	<u>1,536</u>	<u>11,802</u>	<u>7,469</u>	<u>2,670</u>	<u>616</u>	<u>5,001</u>	<u>45,628</u>	<u>23,516</u>	<u>1,763</u>
(d) Net Employer Normal Cost (a) - (b) + (c)	498,196	(1,194)	63,007	11,141	11,665	793	39,201	239,753	122,002	11,832
(4) Actuarial Accrued Liability	129,403,659	2,355,534	20,596,727	5,975,103	4,116,606	533,111	6,485,684	70,162,226	16,747,531	2,431,135
(5) Assets*	<u>119,572,831</u>	<u>2,096,413</u>	<u>20,718,345</u>	<u>5,996,608</u>	<u>3,663,759</u>	<u>474,466</u>	<u>5,772,226</u>	<u>63,782,095</u>	<u>14,905,219</u>	<u>2,163,698</u>
(6) Unfunded Actuarial Accrued Liability (4) - (5)	9,830,828	259,121	(121,618)	(21,505)	452,847	58,645	713,458	6,380,131	1,842,312	267,437
(7) Amortizations*	5,093,079	134,243	(63,007)	(11,141)	234,608	30,382	369,623	3,305,369	954,451	138,552
(8) Total Required Employer Contributions (3d) + (7)	5,591,275	133,049	0	(0)	246,273	31,175	408,823	3,545,124	1,076,453	150,383
(9) Fiscal 2020 Cost	5,445,268	129,575	0	0	239,842	30,361	398,148	3,452,549	1,048,343	146,456
(10) Fiscal 2021 Cost	520,921	12,396	0	0	22,944	2,904	38,089	330,288	100,290	14,011
(11) Fiscal 2022 Cost	517,708	12,320	0	0	22,802	2,886	37,854	328,250	99,671	13,925
(12) Fiscal 2023 Cost	513,404	12,218	0	0	22,612	2,862	37,539	325,521	98,842	13,809
(13) Fiscal 2024 Cost	507,928	12,088	0	0	22,371	2,831	37,139	322,050	97,788	13,662
(14) Fiscal 2025 Cost	501,192	11,928	0	0	22,074	2,793	36,646	317,778	96,491	13,481
(15) Fiscal 2026 Cost	493,104	11,736	0	0	21,718	2,748	36,055	312,649	94,934	13,263
(16) Fiscal 2027 Cost	483,568	11,509	0	0	21,298	2,695	35,358	306,604	93,098	13,007
(17) Fiscal 2028 Cost	472,480	11,245	0	0	20,810	2,633	34,547	299,575	90,963	12,709
(18) Percentage of Total Cost	100.0%	2.4%	0.0%	0.0%	4.4%	0.6%	7.3%	63.4%	19.3%	2.7%
(19) Funded Ratio	92.40%	89.00%	100.59%	100.36%	89.00%	89.00%	89.00%	90.91%	89.00%	89.00%

* Allocation is based on the ratio of the Unfunded Actuarial Accrued Liability, adjusted for additional contributions.